



# ENERGY ASSURANCE DAILY

Wednesday, August 30, 2006

## Major Developments

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### **Tropical Depression Ernesto**

Please see stories under "Other News" below.

## Electricity

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### **186 MW Wind Farm in West Virginia Approved by West Virginia PSC**

On August 28, West Virginia's Public Service Commission approved a plan for the development of a 186-megawatt wind farm in Greenbrier County, West Virginia. The wind farm, to be developed by Beech Ridge Energy LLC, will use 124 giant wind turbines along mountain ridges. Beech Ridge will receive large production tax credits under the terms of an energy bill approved last year.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BinokihSUokt%3EEvbfel%5Dv>

### **150 MW Wind Farm in Illinois Planned**

On August 30, Invenergy Wind LLC plans to file a request for a special-use permit for a 100-turbine wind farm in Illinois. The proposed White Oak Wind Energy Center will produce 150 megawatts of electricity.

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=7089039](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7089039)

### **278 MW Clean Coal Plant in Kentucky Approved by PSC**

On August 29, the Public Service Commission approved a plan to build a 278-megawatt coal-fired power plant and five gas-fired generators in Clark County, Kentucky. The power plant, to be built by East Kentucky Power Cooperative Inc., will use a circulating fluidized bed, which burns coal more cleanly than conventional boilers.

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=7088425](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7088425)

### **Ground Broken for Uranium Enrichment Facility in New Mexico**

On August 29, official groundbreaking took place for the National Enrichment Facility in New Mexico, a plant designed to make nuclear power plant fuel using centrifuge technology. The first production facilities of the plant may be completed in late 2008, allowing the plant to sell enriched uranium in early 2009. The enrichment facility could produce 25 percent of the nation's demand for fuel rods, which are currently imported, for nuclear power plants.

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=7089599](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7089599)

### **Loss of Main and Backup Power Circuits in Vancouver Caused Blackout August 28**

Eleven large buildings in downtown Vancouver, Canada, were without power from 10:30 a.m. to 8:30 p.m. on August 28. On August 27, a main power cable went down in Vancouver, causing some parts of the downtown area to use a backup power circuit. On August 28, a construction worker severed a backup power cable. The loss of the main and backup power circuits resulted in the unusually lengthy blackout.

<http://www.canada.com/vancouver/news/westcoastnews/story.html?id=375f134c-eaca-43d4-a5b9-486af52f44b0>

### **FPL's 693 MW Turkey Point Unit 4 Back at Full Power August 30**

FPL had reduced the power at units 3 and 4 to half in preparation for Tropical Storm Ernesto. Unit 4 has ramped up to full power by early August 30 and Unit 3 which was similar in capacity was expected to do so this morning as well since Ernesto lost strength.

Reuters, 08:51 August 30, 2006

### **Exelon's 1,043 MW Clinton Nuke Unit in Illinois Ramps up to Full Power August 30**

Exelon Corp.'s 1,043 MW nuclear power station in Clinton, Illinois automatically shut on August 27 due to a malfunction of power supply system that caused the water level in the reactor to rise. The unit exited the outage, ramping up to 57 percent of capacity as of about 11 a.m. CST and is ramping up to full power.

Reuters, 07:15 August 30, 2006

Bloomberg News, 12:22 August 30, 2006

### **FirstEnergy's 821 MW Beaver Valley Nuke Unit 1 in Ohio Ramps up to 80 Percent Aug. 30**

FirstEnergy Corp.'s 821 MW nuclear unit in Beaver County, Ohio shut on August 25, to look for possible "foreign material" in one of its steam generators. By early August 30, the unit exited the outage and ramped up to 80 percent of its capacity.

Reuters, 17:15 August 30, 2006

### **TVA's 1,150 MW Browns Ferry Nuke Unit 3 in Alabama Shut August 30**

On August 30, the Tennessee Valley Authority shut its 1,150 MW Browns Ferry 3 nuclear unit due to a leak of hydraulic fluid. The leak was in the system that controls the turbine's speed. Workers are looking into the cause of the problem.

Bloomberg News, 11:47 August 30, 2006

## ***Petroleum***

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### **BP Completes Inspections on 8,000 Feet of Alaskan Oil Pipelines**

BP has completed ultrasonic inspections of 2,500 feet of pipeline in the Eastern Operating Area (EOA) and about 5,300 feet in the Western Operating Area (WOA). Corrosion has been below 40 percent in all cases. BP also said it had stripped 15,000 feet of insulation material from pipelines on the eastern side to facilitate ultrasound inspections, but insulation removal on the WOA is still suspended following the discovery of asbestos in some of the material.

<http://www.platts.com/Oil/News/7679778.xml?p=Oil/News&sub=Oil>

### **Flint Hills to Start Gasoline Unit at its Corpus Christi, Texas Refinery**

Flint Hills Resources' refinery, which shut due to an instrumentation failure at one of the catalytic crackers, plans to resume operations according to a filing with the Texas Commission on Environmental Quality.

Bloomberg News, 13:59 August 29, 2006

### **Update: Chad Wants to Renegotiate Contract with Exxon**

A day after reporting that it wants to own 60 percent of a production consortium in its country, Chad President Idriss Deby said his country wants a 60 percent share of the oil output from the Exxon Mobil-led Chad-Cameroon pipeline project.

<http://www.energyintel.com/>

### **Shell Canada Approved for Refinery Expansion in Alberta, Canada**

Alberta Energy and Utilities Board approved of Shell Canada's 100,000 b/d expansion at Scotford upgrading refinery near Edmonton, Alberta. The upgrader expansion is part of the Shell Canada-operated Athabasca Oil Sands Project, which currently produces about 155,000 b/d. Construction is not expected to begin until next year.

Reuters, 12:28 August 30, 2006

### **Nigerian Oil Unions to Strike Next Week Over Insecurity in Delta**

Nigerian oil unions have decided to stage a "warning strike" next Wednesday concerning insecurity in the Niger Delta, according to a union leader.

Reuters, 14:22 August 30, 2006

## ***Natural Gas***

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Nothing to report.

### Update: Ernesto Makes Landfall in Florida, High Fuel Demand Causes Minor Problems

Ernesto made landfall in southern Florida last night as a tropical storm. Yesterday, many feared that the storm would hit the State at hurricane strength. Today Ernesto was downgraded to a tropical depression as it trekked across Florida. Although the storm may pick up wind speed over the Atlantic as it heads for the Carolinas, the National Weather Service has lifted the hurricane watches that were in effect in South and North Carolina.

According to press reports, fuel supplies were adequate at most Florida gasoline stations yesterday. However, some stations ran out of regular gasoline and some stations decided not to open today. The problem was not due to a shortage of fuel supply since Florida gasoline stocks are very high. Gas stations and fuel terminals experienced long lines due to overwhelming demand from motorists and customers collecting fuel in cans for generators. In addition, fuel terminals in Miami and Port Everglades shut down by Tuesday evening as a precaution. Fuel supplies are still coming into the State, but some of the normal shipment modes are being temporarily limited as the storm approaches and passes.

Port Everglades, which normally receives much of the gasoline for Florida, closed to boat traffic Tuesday morning at 8 a.m. according to the U.S. Coast Guard, but continued to allow fuel trucks to take fuel. The port is expected to reopen today. The other *major* fuel supply ports (Tampa and Jacksonville) had limitations, but did not close and do not anticipate closing. Major ports in South Carolina (Savannah and Charleston) have also imposed some limits on vessel traffic but remain open.

Florida Power & Light reported 17,800 customers without power this afternoon. Power outages did not prevent gasoline stations and truck stops from dispensing fuel, as they did after Hurricane Wilma last year.

Oil companies such as Shell have announced that they are returning oil workers to platforms in the Gulf of Mexico that were evacuated as a precaution.

<http://www.d7publicaffairs.com/>

[http://www.miami.com/mld/miamiherald/news/15398231.htm?source=rss&channel=miamiherald\\_news](http://www.miami.com/mld/miamiherald/news/15398231.htm?source=rss&channel=miamiherald_news)

<http://www.heraldtribune.com/apps/pbcs.dll/article?AID=/20060830/BUSINESS/608300610>

[http://www.sun-sentinel.com/news/nationworld/sfl-hlperngas30aug30.0.2690801\\_story?coll=sfla-news-nationworld](http://www.sun-sentinel.com/news/nationworld/sfl-hlperngas30aug30.0.2690801_story?coll=sfla-news-nationworld)

<http://www.local10.com/news/9763333/detail.html?rss=mia&psp=news>

<http://www.tdo.com/apps/pbcs.dll/article?AID=/20060830/CAPITOLNEWS/608300326>

[http://www.fpl.com/storm/customer\\_outage.shtml](http://www.fpl.com/storm/customer_outage.shtml)

### AEP Ohio Issues Warning to Copper Wire Thieves

Amid a rise in copper wire thefts, AEP Ohio has issued a public safety warning to thieves. AEP Ohio's 46 documented break-ins at power substations in Ohio have sometimes caused power outages and disruptive repair costs, but the company is focusing on the possibility of thieves being electrocuted while trying to steal wire. To combat theft, AEP has a toll-free, 24-hour hotline at (888) 767-5845, dedicated to security issues.

<http://www.timesreporter.com/index.php?ID=57798&r=4>

### Update: Mississippi River Reopens to Vessel Traffic August 29

After the completion of dredging work, the Mississippi River reopened to vessel traffic on August 29; however, one of the sections, Mile Marker 262-264, was open to only one-way traffic. The U.S. Coast Guard had to restrict traffic due to the narrow channel with a vessel draft of 16 feet. It will reopen that section to two-way traffic once the water level rises.

Reuters, 15:18 August 29, 2006

## Energy Prices

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U.S. Oil and Gas Prices August 30, 2006			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	70.10	71.15	66.91
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	6.40	7.19	12.36

Source: Reuters

## Energy Notes

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### Shortage of Global Supply Causing Reduction in Proposed LNG Receiving Terminals

[http://www.energyintel.com/PublicationHomePage.asp?publication\\_id=10](http://www.energyintel.com/PublicationHomePage.asp?publication_id=10)

### Massachusetts' Terrorism Drill in September to Include a Threat to LNG Facility

<http://news.bostonherald.com/localRegional/view.bg?articleid=154975>

## Links

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### *This Week in Petroleum* from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

### *Weekly Petroleum Status Report* from EIA

[http://www.eia.doe.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

### *Natural Gas Weekly Update* from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

## ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

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